

DEPARTMENT OF INDUSTRIAL RELATIONS  
DIVISION OF WORKERS' COMPENSATION**Audit Unit**2424 Arden Way, Suite #305  
Sacramento, CA 95825-2403

Tel: (916) 263-2710

Fax: (916) 263-2712

**Attn: Workers' Compensation Claim Manager**

Dear Manager:

Enclosed is an Annual Report of Inventory. Title 8, California Code of Regulations, Section 10104 requires claims administrators of California workers' compensation claims to file with the Administrative Director an Annual Report of Inventory indicating the number of claims reported at each adjusting location for the preceding calendar year. . The report for 2004 must be filed by April 1, 2005. Even if you had no claims reported in the prior year, you must complete and submit the report. Each adjusting location is required to submit an Annual Report of Inventory, whether or not they receive a form for reporting claims from this office.

**Changes in reporting Requirements for the Report due on or after April 1, 2003**

- Effective January 1, 2003, 8CCR§10104 has been amended to require that totals be reported for indemnity claims, denied claims, and medical-only claims. Prior to this year, it was required to report only the totals of *all* claims, without the breakdown into the three types of claims.
- Effective January 1, 2003, the definition of "indemnity claim" has been changed from a "... claim which has resulted *or may result* in entitlement to..." indemnity payments, to a claim "... that *has resulted* in the payment..." of indemnity (8CCR§10100.2).
- Also effective January 1, 2003, the definition of "adjusting location" has been changed: "Separate underwriting companies, self-administered, self-insured employers, and/or third party administrators operating at one location shall be combined as one audit subject..." (but) "... only if claims are administered under the same management at that location." (8CCR§10100.2).

**Instructions for Completion of the Annual Report of Inventory**

**Part 1** of the Annual Report of Inventory must be completed for each adjusting location of California workers' compensation claims, including self-insured claims and/or insured claims, whether insured under specific workers' compensation policies, under commercial line policies, or the workers' compensation endorsement of homeowner commercial line policies. The report must list all workers' compensation claims, open and closed, reported at the location during the preceding year. **Additionally, please report your total open pending claims (all years) as of the end of 2004.**

**Part 2** of the Annual Report of Inventory must be completed for each adjusting location that includes claims that are administered for more than one entity. For instance, if claims are

administered for separate underwriting companies that are part of an insurance group and/or for self-insured employers, the numbers of claims reported for each separate underwriting company of the insurer group and/or client (insurer or self-insured employer) of the TPA must be indicated separately on Part 2 of the Report of Inventory.

- Claims Administrators having two types of operations at the same location (i.e., - self-administered insurer and a third-party administrator for insurers, self-insured employers or legally uninsured employers) must submit individual reports for each operation if the separate entities (e.g., the insurer and the TPA) are under separate management.
- If claims first reported to a different adjusting location during the year were transferred to the reporting location during the year, the claims shall be reported for the adjusting location of record on January 1 of the present year.

Should your organization relocate, open new locations, close locations, change from TPA-administered to self-administered or from self-administered to TPA-administered, or change from self-insured to insured during 2004, please advise the Administrative Director by way of the Audit Unit - ARI Desk at the address listed on the enclosed form.

Penalty assessments of up to \$500 per location for failure to timely file this Report of Inventory may be assessed under Title 8, California Code of Regulations, Section 10111.2(b)(25). This report must be filed by April 1, 2005.

If you have any questions, please contact Bob Walensa at the Sacramento Audit Unit office at (916) 263-2710.

Sincerely,

Robert S. Walensa  
Manager  
DWC – Audit Unit

Enc.

## ANNUAL REPORT OF CLAIMS INVENTORY

**TO: State of California, Department of Industrial Relations**  
**Division of Workers' Compensation, Audit Unit ~ Attn: ARI Desk**  
**2424 Arden Way, Suite 305**  
**Sacramento, CA 95825**

### PART 1

<b>COMPANY NAME</b>	<b>CHECK ONE:</b>
STREET ADDRESS	<input type="checkbox"/> Self-Administered Insurance Company or Group
CITY/STATE/ZIP	<input type="checkbox"/> Third-Party Administrator
P. O. BOX	<input type="checkbox"/> Self-Administered Self-Insured Employer (private or public)
CITY/STATE/ZIP	<input type="checkbox"/> Self-Administered Joint Powers Authority
Manager Name:	<input type="checkbox"/> Combination of any of the following, but only if administered under the same local management. (Check two or more):
Telephone:	<input type="checkbox"/> Self-Administered Insurance Company or Group
Fax No.	<input type="checkbox"/> Self-Administered Self-Insured Employer
E-Mail:	<input type="checkbox"/> Third-Party Administrator

**Number of California workers' compensation claims reported at this location during the 2004 year:**

Type of Claim	Number		Number
• Indemnity	_____	• Indemnity with indemnity payments	_____
• Denied	_____		
• Medical-only	_____	• Open claims (all years) end of year 2004	_____
<b>Total:</b>	_____		

Signature	_____
Title:	_____
Date:	_____

**NOTE:** Insurer Groups (more than one underwriting company at the same location), third-party administrators, and combinations of the two must complete Part 2.

- Reports of Claims Inventory for each adjusting location of California workers' compensation claims are due by **April 1, 2005**.
- Failure to timely submit reports may subject you to penalty assessments of up to \$500 per location.

## ANNUAL REPORT OF CLAIMS INVENTORY

### PART 2

For each individual underwriting company in an insurance group or client of a third-party administrator (whether a self-insured employer or an insurer), whose claims are administered at the adjusting location, complete the following:

<b>COMPANY NAME</b>  <b>STREET ADDRESS</b>  <b>CITY/STATE/ZIP</b>  Mailing address: P. O. BOX; CITY/STATE/ZIP  Manager Name: Telephone: Fax No: E-Mail:	<b>CHECK ONE:</b>  _____ Insurance Company  _____ Self-insured employer (private or public including joint powers authority)  <table><thead><tr><th>Type of Claim</th><th>Number</th></tr></thead><tbody><tr><td>• Indemnity</td><td></td></tr><tr><td>• Denied</td><td></td></tr><tr><td>• Medical Only</td><td></td></tr><tr><td></td><td>_____</td></tr><tr><td></td><td>Total</td></tr><tr><td>• Indemnity with payments</td><td></td></tr><tr><td>• Open claims (all yrs) end of 2004</td><td></td></tr></tbody></table>	Type of Claim	Number	• Indemnity		• Denied		• Medical Only			_____		Total	• Indemnity with payments		• Open claims (all yrs) end of 2004	
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**Complete and attach additional sheets if necessary. The sum of the totals for claims of all entities reported for Part 2 must equal the total of claims reported for Part 1.**